

**DURHAM CITY COUNCIL WORKSESSION
THURSDAY, OCTOBER 23, 2003 – 1:00 P.M.
Committee Room – 2nd Floor – City Hall**

SUBJECT: ECONOMIC DEVELOPMENT LOAN PROGRAMS

To rescind the action taken by the City Council on October 20, 2003 on Agenda Item #12 regarding the establishment of the Commercial Revitalization Loan Program and approval of a contract amendment with Mutual Community Savings and Loan to provide loan origination and acting as a servicing agent for those programs; and

To authorize the City Manager to begin operation of the Opportunity Loan Program through the Office of Economic and Employment; and

To authorize the City Manager to begin operation of the Downtown and Commercial Revitalization Loan Program through the Office of Economic and Employment Development.

City Attorney Blinder read the following disclosure statement:

The Mayor is Chairman of the Board of Directors of Mutual Community Savings Bank, a Durham-based for-profit corporation (“Mutual”). In that capacity, he is paid an annual retainer of \$3,640, plus \$150 per committee meeting, typically held monthly and totaling an additional \$1,800 per year or more.

In February 2002, the City of Durham entered into a contract with Mutual to provide loan origination and servicing for small business loans to businesses located in low and moderate income areas of the City or creating jobs for persons of low or moderate income. At this time, the City is contemplating an amendment of that contract for Mutual to also originate and service loans under a new “opportunity loan program” for small businesses. Eligibility criteria include that the businesses have less than 25 employees, are located within the City’s economic development zone, and create full-time jobs for persons of low and moderate income.

The Mayor indicates that he does not work on these loan programs for Mutual and states that he would not be involved in any manner in administering or overseeing performance of the contract by Mutual. The Mayor indicates that he has no ownership interest in Mutual other than as a small stockholder (less than five percent of the outstanding shares), and that his position and compensation by Mutual would not be affected in any manner by the contract with the City. Council Member Clement indicates that he also owns a small number of shares of stock of Mutual. The Mayor and Council Member Clement indicate that it is their intention not to vote on any matters before the City Council pursuant to the contract with Mutual under the provisions of G. S. 160-75 and Section 11 of the Durham City Charter, which provides in pertinent part that “No

October 23, 2003

member shall be excused from voting except on matters involving consideration of his own official conduct or where his financial interests are involved.”

MOTION by Council Member Clement seconded by Council Member Cole-McFadden to suspend the rules of the City Council to take action on the above-mentioned subject was approved at 2:25 p.m. by the following vote: Ayes: Mayor Bell and Council Members Best, Clement, Cole-McFadden and Stith. Noes: None. Excused Absence: Mayor Pro Tempore Cheek and Council Member Edwards.

A motion was made by Council Member Clement seconded by Council Member Cole-McFadden to rescind the action taken by the City Council on October 20, 2003.

City Attorney Blinder stated that the Mayor and Council Member Clement could vote on the motion as noted.

MOTION by Council Member Clement seconded by Council Member Cole-McFadden to rescind the action taken by the City Council on October 20, 2003 on Agenda Item #12 regarding the establishment of the Commercial Revitalization Loan Program and approval of a contract amendment with Mutual Community Savings and Loan to provide loan origination and acting as a servicing agent for those programs was approved at 2:25 p.m. by the following vote: Ayes: Mayor Bell and Council Members Best, Clement, Cole-McFadden and Stith. Noes: None. Excused Absence: Mayor Pro Tempore Cheek and Council Member Edwards.

It was noted that Council will take action on motions #2 and #3 at the November 3, 2003 City Council Meeting.

SUBJECT: FEMA CONSULTANT CONTRACT – COUNTS & ASSOCIATES

MOTION by Council Member Best seconded by Council Member Cole-McFadden to suspend the rules of the City Council to take action on the above-mentioned subject was approved at 3:14 p.m. by the following vote: Ayes: Mayor Bell and Council Members Best, Clement, Cole-McFadden and Stith. Noes: None. Excused Absence: Mayor Pro Tempore Cheek and Council Member Edwards.

MOTION by Council Member Clement seconded by Council Member Best to authorize the City Manager to negotiate and execute a personal services contract with Mr. Ed Counts, of Counts & Associates, for FEMA consulting services in an amount not to exceed \$2,100 was approved at 3:14 p.m. by the following vote: Ayes: Mayor Bell and Council Members Best, Clement, Cole-McFadden and Stith. Noes: None. Excused Absence: Mayor Pro Tempore Cheek and Council Member Edwards.

October 23, 2003

**SUBJECT: PROPOSED EMINENT DOMAIN PROCEEDINGS FOR THE
WIDENING OF ARCHDALE DRIVE – FREDERICK D. WARSAW
AND WIFE, JANETTE E. WARSAW**

MOTION by Council Member Clement seconded by Council Member Stith to suspend the rules of the City Council to take action on the above-mentioned subject was approved at 5:10 p.m. by the following vote: Ayes: Mayor Bell and Council Members Best, Clement, Cole-McFadden and Stith. Noes: None. Excused Absence: Mayor Pro Tempore Cheek and Council Member Edwards.

MOTION by Council Member Clement seconded by Council Member Stith to find that it is necessary, in the public interest, and for the public use and benefit to condemn the following interests in the property of Frederick D. Warsaw and wife, Janette E. Warsaw identified as 25 St. Andrews Court, TM 415-04-007, PIN 0810-16-83-9832 – temporary construction easement of 2,656 SF, permanent drainage easement of 1,373 SF, and permanent street easement of 687 SF, all as shown on the final plat showing easement and right-of-way required for Archdale Drive Widening, Sheet 3 of 3, dated August 24, 2000, prepared by Donald F. Greeley, PLS No. L-3472; and

To authorize the City Attorney to initiate condemnation proceedings for that purpose, with a deposit into court in the amount of \$15,750 as the City's estimate of just compensation and to ratify the mailing of 30-day notices was approved at 5:10 p.m. by the following vote: Ayes: Mayor Bell and Council Members Best, Clement, Cole-McFadden and Stith. Noes: None. Excused Absence: Mayor Pro Tempore Cheek and Council Member Edwards.

**SUBJECT: HEART OF DURHAM MOTEL PROPERTY ACQUISITION – 500
WILLARD STREET**

MOTION by Council Member Clement seconded by Council Member Cole-McFadden to suspend the rules of the City Council to take action on the above-mentioned subject was approved at 5:10 p.m. by the following vote: Ayes: Mayor Bell and Council Members Best, Clement, Cole-McFadden and Stith. Noes: None. Excused Absence: Mayor Pro Tempore Cheek and Council Member Edwards.

MOTION by Council Member Clement seconded by Council Member Cole-McFadden to add the following item to the agenda [Heart of Durham Motel Property Acquisition] was approved at 5:10 p.m. by the following vote: Ayes: Mayor Bell and Council Members Best, Clement, Cole-McFadden and Stith. Noes: None. Excused Absence: Mayor Pro Tempore Cheek and Council Member Edwards.

MOTION by Council Member Clement seconded by Council Member Cole-McFadden to authorize the City Manager to make an offer to purchase the Heart of Durham site located at 500 Willard Street for \$1,500,000 with the price to include a clean site with the

October 23, 2003

building removed and all environmental contaminants removed was approved at 5:11 p.m. by the following vote: Ayes: Mayor Bell and Council Members Best, Clement, Cole-McFadden and Stith. Noes: None. Excused Absence: Mayor Pro Tempore Cheek and Council Member Edwards.

**SUBJECT: PROPOSED EMINENT DOMAIN PROCEEDINGS FOR THE
HEART OF DURHAM MOTEL PROPERTY – CHARLES RUSSELL
WELLONS FOUNDATION**

MOTION by Council Member Clement seconded by Council Member Cole-McFadden to find it is necessary, in the public interest, and for the public use and benefit to condemn a fee simple interest in the property of the Charles Russell Wellons Foundation of the land and improvements located at 500 Willard Street at a price of \$710,000; and

To authorize the City Attorney to initiate condemnation proceedings for that purpose, with a deposit into court in the amount of \$710,000 as the City's estimate of just compensation was approved at 5:15 p.m. by the following vote: Ayes: Mayor Bell and Council Members Best, Clement, Cole-McFadden and Stith. Noes: None. Excused Absence: Mayor Pro Tempore Cheek and Council Member Edwards.

D. Ann Gray, CMC
City Clerk